



**TESTIMONY OF
R. Christopher Hartley
Senior Vice President
Saint Francis Hospital and Medical Center
BEFORE THE
APPROPRIATIONS COMMITTEE
Wednesday, December 9, 2009**

**Governor M. Jodi Rell's November 24, 2009 Deficit Mitigation Plan
for Fiscal Year 2010**

My name is Christopher Hartley. I am Senior Vice President of Planning and Facilities Development for Saint Francis Hospital and Medical Center. I am testifying today on **Governor M. Jodi Rell's November 24, 2009 Deficit Mitigation Plan for Fiscal Year 2010.**

Thank you for the opportunity to testify today. While we appreciate the difficult task facing Governor Rell and the legislature in addressing the state's budget deficit, we are deeply concerned about the devastating payment reductions to hospitals included in the Governor's deficit mitigation plan. According to the Connecticut Hospital Association, the proposed reductions to Medicaid and other programs total approximately \$77 million for hospitals statewide.

For Saint Francis, the proposed reductions will mean a cut of nearly \$5.8 million, creating a budget gap that will be extremely difficult to fill. In the face of the prolonged recession and stubborn unemployment, record numbers of people have found themselves uninsured or on Medicaid. True to our mission, we continue to provide care to all 24 hours a day, 7 days a week, regardless of patients' ability to pay.

If Saint Francis incurs a nearly \$5.8 million reduction in state payments this year, the institution will likely have to delay needed capital purchases, curtail service delivery hours for selected programs, freeze hiring for vacant staff positions, and postpone selected physician recruitments.

More importantly, it simply makes no sense to cut Medicaid payments at a time when Congress has given unprecedented Medicaid funding increases to states. Under the stimulus bill, Connecticut will get more than \$1.4 billion in increased federal funds to provide care for our most vulnerable populations. This infusion should be used to maintain eligibility and coverage, and help bring provider rates closer to covering the actual cost of care.

In addition, earlier this year, the Rell Administration agreed to pursue a SAGA waiver that would convert the SAGA program to Medicaid. This waiver will remove the cap on SAGA funding, increase SAGA payments to providers, and save the state approximately \$28 million per year. The state should implement the SAGA waiver immediately – for each day that we delay implementing this waiver the state fails to maximize available federal revenue.

We strongly urge rejection of the proposed cuts and immediate implementation of the SAGA waiver.